

# DOCKET SECTION

BEFORE THE  
POSTAL RATE COMMISSION  
WASHINGTON, D.C. 20268-0001

RECEIVED  
DEC 9 4 33 PM '97  
POSTAL RATE COMMISSION  
OFFICE OF THE SECRETARY  
Docket No. R97-1

POSTAL RATE AND FEE CHANGES, 1997

REVISED RESPONSES OF UNITED STATES POSTAL SERVICE  
TO INTERROGATORIES OF  
DAVID B. POPKIN  
(DBP/USPS-8e-q & 9b, c,g), AND  
RESPONSES TO (DBP/USPS-8r-bb & 9d-f, h-aa), AND  
MOTION FOR LATE ACCEPTANCE

The United States Postal Service hereby provides revised responses to the following interrogatories of David B. Popkin: DBP/USPS-8e-q & 9b, c, g, and responses to DBP/USPS-8r-bb & 9d-f, h-aa, filed on September 10, 1997, 1997. The Postal Service moves for late acceptance of these responses. The press of other discovery and the need to coordinate with Postal Service staff, resulted in the late responses.


Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.  
Chief Counsel, Ratemaking

  
Scott L. Reiter

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
(202) 268-2999; Fax -5402  
December 9, 1997

RESPONSE OF UNITED STATES POSTAL SERVICE  
TO INTERROGATORIES OF DAVID B. POPKIN

DBP/USPS-8

- (e) Explain the significance between the use of the word "mailing" in DMCS Section 223.1[b] and the word "handling" in DMCS Section 252 as they are modified by the word "expeditious".
- (f) Explain the appropriateness of the wording of the DMCS where "expeditious handling" applies to all three subclasses while "expeditious mailing" applies to only one of the three subclasses.
- (g) Confirm that if I have a one-ounce envelope to mail that it will presently cost 32-cents to mail via the Letters or Sealed Parcels subclass and cost \$3.00 to mail under the Priority Mail subclass.
- (h) If not, explain.
- (i) Enumerate and explain the level of service that I would receive for each of the two articles referenced in subpart g if they are destined to an overnight delivery area.
- (j) Same as subpart i except destined to the two-day delivery area.
- (k) Same as subpart i except destined to the three-day delivery area.
- (l) Explain the differences in handling between the two articles when they are destined to the overnight delivery area.
- (m) Explain the differences in handling between the two articles when they are destined to the two-day delivery area.
- (n) Explain the differences in handling between the two articles when they are destined to the three-day delivery area.
- (o) Confirm that the mail processing system for the Letters and Sealed Parcels and the Cards subclass is the same.
- (p) If not, explain and provide details on the two systems and the differences between them.
- (q) Is there a separate mail processing system for Priority Mail [as opposed to that used for the other two subclasses]?
- (r) If so, explain the details of the system and the differences between it and the system

RESPONSE OF UNITED STATES POSTAL SERVICE  
TO INTERROGATORIES OF DAVID B. POPKIN

used for the other two subclasses.

- (s) Since Priority Mail is being advertised as having a two- to three-day delivery standard, is there any Priority Mail which is designed to be delivered overnight?
- (t) If so, why is it not advertised as a one- to three day delivery standard?
- (u) If not, why would a mailer utilize Priority Mail for an article weighing 11 ounces or less which was destined for the overnight First-Class Mail delivery area?
- (v) Are there any plans to improve the delivery standards for Priority Mail?
- (w) If so, explain and elaborate.
- (x) Confirm in general that air transportation will be more costly than surface transportation.
- (y) Confirm in general that air transportation will provide more expeditious service than surface transportation.
- (z) If not, explain.
- (aa) Is air transportation utilized in all instances where it would advance the delivery time for First-Class Mail by one or two days over that which may be obtained by utilizing surface transportation in whole or in part?
- (bb) If not, why not and explain how the handling of this mail could be considered to be handled expeditiously.

**RESPONSE:**

- (e) There is none.
- (f) Since the words effectively communicate the concepts, they seem appropriate.
- (g-h) Confirmed.
- (i-k) In each instance, the Postal Service commits to delivery within the specified time frame; i.e., either overnight, within two days, or within three days. However, each

RESPONSE OF UNITED STATES POSTAL SERVICE  
TO INTERROGATORIES OF DAVID B. POPKIN

piece would be processed and dispatched in its appropriate mail stream in accordance with the distribution priorities outlined in section 453 of the Postal Operations Manual (POM 7).

- (l-n) Depending on the applicable First Class Mail or Priority Mail delivery standards, it is expected that each mail piece would be processed and transported in a manner which best ensures that the applicable delivery commitments are met. Differences in handling are difficult to describe in the absence of information about the origins and destinations of the hypothetical pieces, locations and times and methods of acceptance or entry, relevant variations in local processing operations, and available transportation alternatives. In general, a higher percentage of Priority Mail will receive air transport because the two-day commitment area for Priority Mail is much greater than the two-day commitment area for First Class Mail.
- (o) Not Confirmed. While it is true that First Class and/or Priority letters, cards, and parcels may pass through the same processing facilities and/or may utilize some of the same transportation, the "mail processing system", as used in the context of the equipment and processes that are used in processing, is different for letters/cards and parcels. Letters and cards are generally processed on automated processing equipment with the use of barcode technology while sealed parcels are generally sorted manually and/or on Small Parcel and Bundle Sorters (SPBSs).
- (p) See the testimony of witness Pajunas (USPS-T-2) in Docket No. MC95-1 for additional details on the processing of letter mail.

RESPONSE OF UNITED STATES POSTAL SERVICE  
TO INTERROGATORIES OF DAVID B. POPKIN

- (q-r) Some Priority Mail is processed through the network of Priority Mail Processing Centers (PMPC's). See response to UPS/USPS-T33-1 for the differences between Priority Mail processed through the PMPC's and Priority Mail that is not processed through the PMPCs.
- (s) Yes. Generally, the overnight commitment areas for First Class and Priority Mail are congruent.
- (t) As mentioned in (s), the overnight commitment area for Priority Mail and First Class are generally congruent. Accordingly, the overnight commitment for a Priority Mail is limited in relation to the overall delivery area covered by two-day and three-day commitments.
- (u) N/A.
- (v-w) As mentioned in the response to UPS/USPS-T33-1, the Postal Service has awarded a contract to outsource the development and activation of a two-day Priority Mail Network. The goal of this network is improve the reliability and reach of the two-day product, as well as provide the opportunity to introduce new features in conjunction with a redefinition of the product.
- (x) Confirmed that the cost of moving a piece of mail on air transportation will generally be higher than the cost of moving a piece of mail on surface transportation.
- (y-z) We confirm that in general, based on reasonable distances, it is faster to fly a piece of mail on air transportation than to drive it using surface transportation. However, if mail is delayed or misses a flight it may be faster to drive it. Also, in most cases mail

RESPONSE OF UNITED STATES POSTAL SERVICE  
TO INTERROGATORIES OF DAVID B. POPKIN

receiving air transportation will require additional handling for transfer of mail from the USPS to the air carrier at origin and back again at destination, and an extra trip of surface transportation to and from the airport, in which it may arrive at its destination at the same time or after a piece of mail traveling on surface transportation.

(aa) No.

(bb) The requirements for postal procured transportation are dependent on the operating parameters of the originating and destinating plants and the service commitment of the mail. Within these parameters, the most cost effective transportation providing the highest degree of dependability is chosen. First Class Mail is handled expeditiously in that it is processed in accordance with the distribution priorities outlined in section 453 of the Postal Operations Manual (POM 7).

RESPONSE OF UNITED STATES POSTAL SERVICE  
TO INTERROGATORIES OF DAVID B. POPKIN

DBP/USPS-9

In regard to the Service Commitments/performance goals for First-Class Mail,

- [b] Do the delivery standards apply regardless of the method by which the article is addressed such as printed vs. handwritten?
- [c] Do the delivery standards apply regardless of whether the article has no ZIP Code or a 5- or 9- digit ZIP Code?
- [e] Do the delivery standards apply regardless of any other services that are utilized such as Certified Mail, Registered Mail, COD, Insured Mail?
- [g] Elaborate and explain any negative answers.
- [h] Does the USPS have a requirement that all mail which is placed into the system on a given day will be postmarked that day and will be processed that same day?
- [i] Does the USPS have a requirement that all mail turned in over a service window that is open to the public will be postmarked that day and will be processed that same day?
- [j] Does the USPS have a requirement that all mail turned into a city delivery, rural, or HCR carrier or which is collected by a carrier will be postmarked that day and will be processed on that day?
- [k] Does this apply to all delivery dates including Saturday?
- [l] Explain and elaborate on any negative answers.
- [m] Is Exhibit 125.22 of POM [issued August 1, 1996] the latest version of holiday service levels?
- [n] If not, provide a copy of the latest version as well as copies of any Headquarters directives or memoranda related to any changes.
- [o] With respect to the footnote to that Exhibit requiring exceptions to these service levels be approved by the Chief Operating Officer and Executive Vice President, confirm that this requirement is still current.
- [p] If not, advise the current regulation.

RESPONSE OF UNITED STATES POSTAL SERVICE  
TO INTERROGATORIES OF DAVID B. POPKIN

- [q] Have any exceptions been approved since August 1, 1996 in accordance with that footnote or any succeeding regulation noted in subpart p above?
- [r] If so, elaborate and provide a listing of all exceptions granted.
- [s] Are the members of the mailing public entitled to receive the level of service that is mandated in the various directives including POM Exhibit 125.22 and/or which is posted in the lobbies of the various postal facilities as to their operating hours and/or which is posted on the various collection boxes as to the time the mail will be collected?
- [t] If not, explain.
- [u] Are POM Sections 322.233 and 322.343 [August 1, 1996 issue] still current with respect to the requirement for at least one collection on Sundays and holidays?
- [v] If not, provide a copy of the latest version as well as copies of any Headquarters directives or memoranda related to any changes.
- [w] To what extent would elimination of Sunday collections and mail processing have on the processing and delivery of First-Class Mail?
- [x] Would this result in any reduction or additional costs?
- [y] If so, elaborate and enumerate.
- [z] If Sunday and holiday collections and mail processing have been eliminated, are there any plans to resume them?
- [aa] If so, explain and elaborate.

**RESPONSE:**

(b) No. A piece that is handwritten may be illegible and therefore it could be impossible to deliver the piece within the standards of the service commitment.

RESPONSE OF UNITED STATES POSTAL SERVICE  
TO INTERROGATORIES OF DAVID B. POPKIN

(c) No. See page 10-3 of the 1997 National Five-Digit ZIP Code and Post Office Directory for a listing of service commitments.

(e) Yes, but with the understanding that an attempt at delivery is the same as a delivery.

(g) See page 10-3 of the 1997 National Five-Digit ZIP Code and Post Office Directory for a listing of service commitments that apply only to ZIP coded mail.

(h-l) There are no explicit requirements stating that all mail received on a given day must be postmarked and processed that same day. For instance, mail that is deposited in a collection box after the last designated pick-up time indicated on the box would not be postmarked and processed the same day. Likewise, it is possible that a piece of mail could be given to a carrier that is delivering a piece of Express Mail, so there is not an explicit requirement that states that all mail turned into a carrier on a given day will be postmarked and processed that same day. As for mail received over a service window, that mail is generally dispatched from the associate office to the mail processing facility and is therefore postmarked and processed that same day. However, there are some Post Offices in rural areas where mail is accepted after a cut-off time signifying the last dispatch of the day, so the mail would not be postmarked and processed the same day.

(m) Yes.

(n) N/A.

(o) Yes.

RESPONSE OF UNITED STATES POSTAL SERVICE  
TO INTERROGATORIES OF DAVID B. POPKIN

(p) N/A.

(q-r) In 1996, exceptions for Christmas and New Year's Eves were authorized.

Collections and retail operations were suspended early on both days at the discretion of local management and varied by locality.

(s) Yes.

(t) N/A.

(u) Yes.

(v) N/A

(w) Sunday collections advance mail to the plant for outgoing cancellation and processing. Eliminating Sunday collections would delay this mail in getting to the plant for canceling and processing which could result in the mail being dispatched on later transportation to the network.

(x) The exact impact is not known. However, it is important to understand that the transportation used for dispatching Sunday collections from the associate offices to the plants is not limited to just collection mail. Other non-collection mail as well as empty equipment is also hauled on these trips. As a result, eliminating Sunday collections would not necessarily yield cost reductions.

(y) N/A.

(z) Sunday and holiday collections are done in accordance with the holiday service levels contained in Exhibit 125.22 of the Postal Operations Manual (POM 7). Mail processing schedules are set in accordance with the needs of the local facility.

RESPONSE OF UNITED STATES POSTAL SERVICE  
TO INTERROGATORIES OF DAVID B. POPKIN

(aa) N/A

## CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.

Scott L. Reiter c/s/  
Scott L. Reiter

475 L'Enfant Plaza West, S.W.  
Washington, D.C. 20260-1137  
December 9, 1997, 1997